

EXHIBIT B



**September 11th
Victim Compensation Fund**

annual report 2019



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Executive Summary

2019 was a year of significant challenges, unprecedented change, substantial achievement, and the opportunity to chart a future path forward for the September 11th Victim Compensation Fund (“VCF”). The year began with the need to reduce awards due to the Special Master’s determination in February 2019 that there was insufficient funding to pay all pending and projected claims. At mid-year, legislation was passed that fully funded the VCF and extended its availability for decades to come. With longevity and funding assured, the VCF turned its attention in the latter part of the year to continuing its mission of compensating claimants. By the end of 2019, the VCF had awarded nearly \$6 billion to almost 26,000 claimants.

A Message from the Special Master



This has been a year of many challenges, and significant changes for the VCF, greatest among them the July passage of the Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund Act (“VCF Permanent Authorization Act”), which secured the VCF’s funding for claims and amendments filed through 2090 (see page 5). This year also saw the departure of Deputy Special Master Jordy Feldman, who left the VCF after more than 10 years of superb and dedicated service.

Jordy’s far-reaching contributions will continue to benefit the 9/11 community for years to come, and she has my deepest gratitude for her service to this community.

In the past, we dedicated a large portion of our Annual Report to the calculations and projections that were focused on ensuring the VCF would not run out of funding before paying all eligible claims. Although I remain fully committed to maintaining the fiscal stewardship that the VCF Permanent Authorization Act recognizes, now that the VCF is financially secure, we have changed the format of this report to instead highlight the major events, accomplishments, and progress of 2019, and provide a glimpse into the future of the VCF. I hope you enjoy the new design.

Many will recall that the year began with the looming possibility of award reductions due to insufficient funding, which resulted in a record number of claims being filed between October 2018 (when the notice of potential reductions was published in the Federal Register) and January 2019. With deep regret, in February I announced reductions to awards, which went into effect immediately. You will see more throughout this report about the reductions, the subsequent legislation, and about the VCF team’s successful effort to notify every person who previously received a reduced award (nearly 1,700 individuals) of their unreduced award prior to the 2019 anniversary of September 11.

As all this unfolded, the VCF carried on with its regular activities, detailed throughout this report, and began the substantial task of figuring out what changes might be needed as we move from a program set to end within months, to one that will now accept claims for decades to come. I am very gratified to report that our first major policy change – detailed on page 6 – has been widely recognized as a tremendous benefit to those impacted by the events of September 11, 2001.

Also included in this report is important information about our claimant population, significant trends we continue to see, and our progress on reducing the time it takes to make award determinations. We have also provided detailed information on the number of claims we continue to receive, and the number of award determinations made.

From all perspectives, 2019 was a highly productive and successful year. And, although it included great challenges and unprecedented change, it also included significant achievements. By year’s end, the VCF had awarded nearly \$6 billion to almost 26,000 claimants. As we move into 2020, we are charting a strong and sustainable course for the future of the VCF.

“The assurance of this program’s longevity is, without doubt, a great comfort, but at the same time, I remain acutely aware of the fact that our awards do not erase the suffering of this brave community. My team and I go into 2020 re-energized and fully committed to expanding outreach, refining policies, reducing the time it takes to make awards, and doing all that we can to honorably serve the 9/11 community.”

- Rupa

The Never Forget the Heroes Act Signed

On July 29, 2019, President Trump signed into law H.R. 1327, the Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund Act ("VCF Permanent Authorization Act" or "Act"). This legislation extends the VCF's claim filing deadline from December 18, 2020, to October 1, 2090, and appropriates such funds as may be necessary to pay all eligible claims.

The enactment of this new law is a testament to the heroic efforts of the responders, survivors, and advocates who tirelessly pursued this legislation, and without whom the VCF would not be able to continue its vital work. The VCF has earned a reputation for being faithful to the statute under which it operates, fair to claimants, and defensible to the taxpayers. The VCF enters this new phase fully intending to continue in this vein, serving as trusted and fiscally responsible stewards of this funding and ensuring that it is properly directed to its intended use: providing compensation for losses suffered by individuals who were physically injured (or relatives of those who were killed) as a result of the terrorist attacks of September 11, 2001, or their exposure during the clean-up and debris removal efforts.



**Faithful
to
Statute**

**Fair
to
Claimants**

**Defensible
to
Taxpayers**

Timeliness Policy Change

Passage of the VCF Permanent Authorization Act gave the VCF the opportunity to change its policy regarding the date by which an individual needs to have registered with the VCF in order to preserve their ability to file a claim. Referred to as the “timeliness policy,” the changes were put in place to benefit the 9/11 community.

Prior to this change, the deadlines by which an individual needed to register with the VCF in order to be considered timely varied based on individual circumstances, and many individuals failed to meet the timeliness requirement. Under the new policy, all claims will be considered timely if the claimant registers with the VCF within two years of July 29, 2019, the date the VCF became permanent. Because the policy is being applied retroactively, every registration currently on file is timely, and every future claim that is registered prior to July 29, 2021, will be considered timely. The revised policy addresses concerns about claimants who missed prior deadlines because they did not know that the VCF existed or was open to them, did not know that their condition (or the death of their loved one) was related to 9/11 exposure, or did not realize that they were eligible to file a VCF claim or that the VCF would be in place beyond the previous 2020 end date. After July 29, 2021, registration policies will change and the VCF will provide additional information as we get closer to that date.

But, for now, this policy change presents a tremendous opportunity to take steps to find every potentially eligible claimant and ensure that they register before July 29, 2021, to preserve their opportunity to file a claim for compensation from the VCF. Registration is simple and open to anyone who was at the Pentagon or Shanksville sites, or in Manhattan south of Canal Street, at any point between September 11, 2001, and May 30, 2002, the official end of the recovery effort. You do not have to be sick, have symptoms, provide any documentation, or give up any legal rights, to register. It simply holds a place in case you need to file a claim in the future.

An individual who believes they may be eligible for VCF compensation, should: 1) Register with the VCF; 2) Enroll in the WTC Health Program and become certified for at least one physical condition; and 3) File a claim with the VCF. For more information, please visit www.vcf.gov or call the VCF Helpline at 1-855-885-1555.



Administrative Costs

Administrative funding for the VCF comes from the VCF’s total appropriation. While the VCF Permanent Authorization Act guarantees sufficient funding, the VCF remains committed to keeping these costs to only what is reasonably necessary to minimize the burden placed on claimants, while maximizing claims processing speed and efficiency. As of December 31, 2019, the VCF’s administrative costs continue to remain less than 3% of total awards issued. Administrative costs include salaries for staff who run all areas of VCF operations, answer calls to the Helpline, and work with claimants to complete unfinished and inactive claims, as well as a team of attorneys who review claims for eligibility and compensation and render decisions on claims. In response to the increase in the number of claims filed, and in an effort to continue to reduce the overall processing time for claims, the VCF added 23 new team members in 2019, bringing the total team to 196 staff.

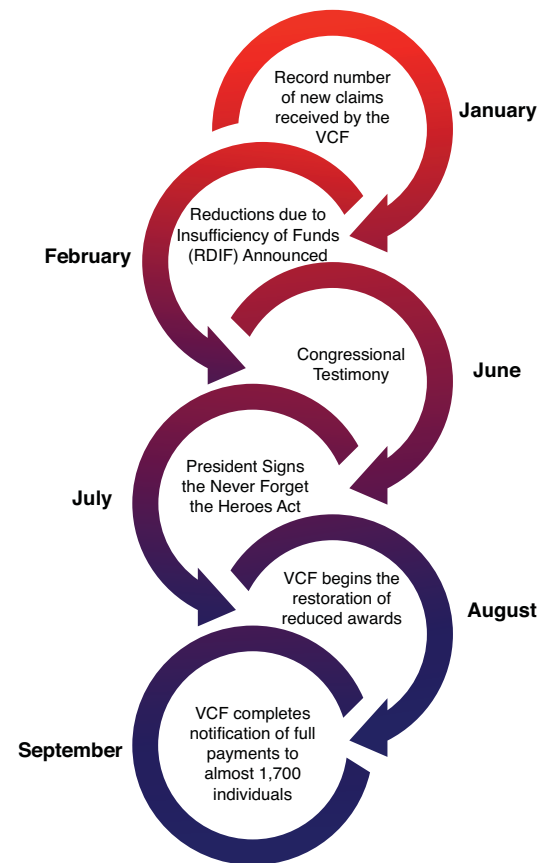
Restoring Reduced Awards

In early 2019, after extensive analysis, and due in large part to changes in the volume and type of claims being filed, the Special Master determined that the funding allocated in the VCF's authorizing legislation would be insufficient to pay all pending and projected claims. This resulted in an immediate need to implement significant reductions to VCF awards. After thoroughly evaluating every potential available option, the Special Master concluded that the fairest way to implement the required reductions to awards was to do so across the board, applying a percentage reduction to all awards.

On February 15, 2019, the VCF announced that awards issued on claims or amendments filed on or before February 1, 2019, would be reduced by 50 percent, while awards on claims or amendments submitted on or after February 2, 2019, would be reduced by 75 percent. With significant operational effort, the VCF fully implemented these Reductions due to Insufficiency of Funds ("RDIF") on February 25, 2019.

Just over five months later, the VCF Permanent Authorization Act reversed the RDIFs and restored VCF awards to what they would have been if the reductions had not been implemented. The Act required that the VCF issue payments to any claimants who were impacted by the reductions in order to make up the difference between the reduced award and the unreduced value that would have been awarded had the reductions not been required. Almost 1,700 claims received reduced awards between February 25 and July 29. The Act allowed for one year, beginning October 1, 2019, to complete the restoration of awards. Recognizing the urgent needs of this community, the Special Master publicly committed to beginning the award restoration process immediately upon the signing of the law and to completing it before the 2019 anniversary of the September 11, 2001, attacks, less than two months later. With due credit to the extensive preparations for this eventuality that were made when the reductions were implemented, the VCF met the Special Master's deadline, and prior to the date set in the legislation for the restoration to *begin* – October 1, 2019 – the VCF's award restoration process was *complete*.

2019 in Review



Outreach

In response to ongoing interest from the 9/11 community in increased VCF outreach, a special effort was made to revamp VCF outreach plans and activities, and an Outreach Team was created to handle the requests for VCF participation at various meetings and events. The VCF participated in numerous meetings and information sessions with external groups and with the WTC Health Program, establishing a positive dialogue and presenting accurate and timely information about the VCF throughout the community. In addition to multiple training sessions for WTC Health Program employees, these efforts included regular contact with advocacy groups with a strong following among the 9/11 community, including 9/11 Health Watch, 9/11 Environmental Action, and StuyHealth. The Special Master participated in a town hall event hosted by the Manhattan Borough President's office, and VCF team members took part in meetings hosted by New York-area Congressmen Nadler and Rose. The VCF continued to expand its relationships with entities such as the FBI and the Federal Law Enforcement Officers Association in an effort to reach potentially eligible claimants who were not aware of the VCF. The VCF also continued to strengthen its partnership with both Voices of 9/11, an association of 9/11 family members which hosts regular events that include the VCF, and with the 9/11 Memorial and Museum, which has become a dedicated partner in VCF efforts to reach potentially eligible individuals.

With the passage of the VCF Permanent Authorization Act, and the extension of the VCF's claim filing deadline to October 1, 2090, the VCF is committed to considerably expanding its outreach efforts in 2020 by seeking to reach all those who may be eligible for compensation.



Representatives from the VCF attended the May 30 dedication of the 9/11 Memorial and Museum's Memorial Glade, an enduring monument to the many responders and survivors who have suffered and died in the years since the terrorist attacks as a result of toxic exposure at all three affected sites. Pictured from left to right are Deputy Special Master Stefanie Langsam, Special Master Rupa Bhattacharyya, and Deputy Special Master Jordy Feldman.

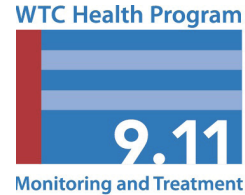
World Trade Center Health Program Partnership

The VCF's partnership and collaboration with the National Institute for Occupational Safety and Health ("NIOSH") and the WTC Health Program is essential to the claim review process. While both programs have their own distinct mission, eligibility criteria, and enrollment process, they serve the same community of 9/11 responders and survivors. And because the programs work so closely together and the missions are so closely aligned, there is a great deal of confusion in the 9/11 community about how the two programs differ, and the specific benefits each provides.

How The Programs Differ



September 11th
Victim Compensation Fund



Illnesses Covered	Physical Only	Physical and Psychological
Geographic <u>Zone</u> – where were you?	For "presence at the site": South of Canal Street (Manhattan only)	For exposure: South of Houston Street and parts of Brooklyn
Presence/Exposure <u>Time-frame</u> – when were you there?	September 11, 2001 – May 30, 2002	September 11, 2001 – July 31, 2002
Presence/Exposure <u>Duration</u> – how long were you there?	No minimum time required – just need to have been in the zone during the time-frame	Minimum time requirements apply

Throughout 2019, the VCF continued to work closely with the WTC Health Program, and the Clinical Centers of Excellence ("CCEs") that provide services to WTC Health Program members. The two programs maintain clear and open lines of communication, and seek each other's input, as appropriate, on policy and process changes. As in years past, the VCF provided multiple training sessions for WTC Health Program and CCE employees, including benefits counselors and social workers who work with the 9/11 community and are able to disseminate important, and accurate, information about the VCF to their members. Additional trainings and collaborations are already planned for 2020!



New York City Exposure Zone

The VCF NYC Exposure Zone is defined as the area in Manhattan south of the line that runs along Canal Street from the Hudson River to the intersection of Canal Street and East Broadway, north on East Broadway to Clinton Street, and east on Clinton Street to the East River, and any area related to or along the routes of debris removal, such as barges and the Fresh Kills landfill.



Program Results

While numbers cannot tell the whole story, the year-end statistics show that the VCF continues to successfully fulfill its mission of getting much needed compensation to the very worthy 9/11 community. As detailed throughout this report, 2019 was a unique year on many levels, presenting unparalleled challenges and positive, but complicated, changes. Through it all, the VCF continued to increase its output, while starting to build the necessary platform for a program that will last for 70 years.

This report contains an appendix (“VCF Program Statistics”) that includes a series of charts showing key statistics and trends, such as VCF registrations, claims filed, and award determinations by both claim type and claimant type.

As an overview, in 2019 the VCF issued nearly 6,000 compensation determinations (including initial awards on new claims and revised awards on claims with amendments), for a total value of more than \$1.2 billion dollars awarded. On top of this, the VCF notified nearly 1,700 claimants who had received reduced awards due to the temporary funding insufficiency of their unreduced award and processed the restored payments. And in 2019, as new claims were filed in staggeringly high numbers, the VCF maintained its pace in awarding compensation, steadily increased the number of claims deemed eligible by rendering over 5,500 eligibility determinations, and continued to work toward decreasing the amount of time it takes to decide a claim.

Appeals

Claimants may appeal the decision on their claim if they are determined to be ineligible for compensation, or if they believe their award was not properly calculated. The VCF held 60 percent more appeal hearings this past year, with 609 hearings throughout 2019 compared to 380 in 2018. This increase is a reflection of the increased number of eligibility and award determinations rendered by the VCF. The overall rate of appeals remained relatively low at 5 percent of awards issued. To accommodate the increased volume, the VCF expanded the team of Hearing Officers and added a third day of hearings each week.

The clearest indicator of the VCF’s success is the overwhelming vote of confidence the VCF received in July 2019, when the Congress overwhelmingly and with bipartisan support passed, and the President signed into law, legislation permanently authorizing the VCF and providing it with such appropriated funds as may be necessary to pay all eligible claims. The VCF Permanent Authorization Act, with no substantive alteration of the VCF’s claim review procedures or methodology for calculating awards, clearly reflects that the program is achieving exactly the results it was created to achieve.



The Year in Numbers

Number of inbound calls to Helpline: **46,438** nearly **23%** increase

Number of letters mailed: **144,520** up nearly **20%**

Number of pieces of mail received & processed: **37,243** up **73%**

Number of new members added to the VCF team: **23**

Number of payments processed: **6,011** in 2019; from inception **33,312**

Number of Hearings held: **609** up nearly **60%**

Number of APPROVED eligibility determinations rendered: **5,504** up **28%**

Number of compensation determinations rendered: **4,736** initial, **1,119** amended

Number of expedited claims: **495** up **10%**

Dollar amount awarded in 2019: **\$1,218,499,150**

Total Dollars awarded by VCF: **\$5,964,774,722**

Annual Reassessment

The VCF Permanent Authorization Act maintains the requirement that the Special Master annually reassess whether VCF policies and procedures are appropriate to meet its twin statutory mandates: 1) prioritizing funding for claimants who are suffering from the most debilitating conditions, and 2) ensuring that expenditures do not exceed available funding. The question of adequate funding has been resolved by the passage of the VCF Permanent Authorization Act, and the Special Master's focus on policies and procedures to ensure that funding is prioritized to the claimants with the most debilitating conditions resulted in a number of changes in 2019. The VCF is committed to reserving higher awards for those claimants who demonstrate that their conditions severely impact the activities of daily living. As a result, in consultation with the doctors from the WTC Health Program and its Clinical Centers of Excellence, the VCF lowered certain non-economic loss values to more accurately correspond to the current medical reality that very few non-cancer conditions are, by diagnosis alone, so severe that they should automatically qualify for the highest-available award. At the same time, the VCF will increase awards if medical records document that the condition is severe, and the VCF Permanent Authorization Act newly granted the Special Master the discretion to issue non-economic loss awards above the statutory caps in special circumstances. Details on the changes that were implemented can be found on the VCF's website, www.vcf.gov. The VCF also continues to provide expedited processing to claimants who are suffering from terminal illnesses (as well as those facing significant financial hardship), and continually reassesses its policies and procedures to ensure that those who suffer most are adequately compensated.

VCF At-A-Glance

CLAIMS SUBMITTED

51,590

Cumulative Claims

12,011

2019 Claims

5,381

6,603

Responder

Survivor

11,038

969

Personal Injury

Wrongful Death

DETERMINATIONS RENDERED

25,649

4,320

Cumulative Initial Determinations

Amended
Determinations

4,736

1,119

2019 Initial

Amended

5,265

4,797

15,587

Cumulative
Cancer Only

Cancer +
Non-Cancer

Non-Cancer
Only

DOLLARS AWARDED

\$5.96 B

Cumulative Amount Awarded

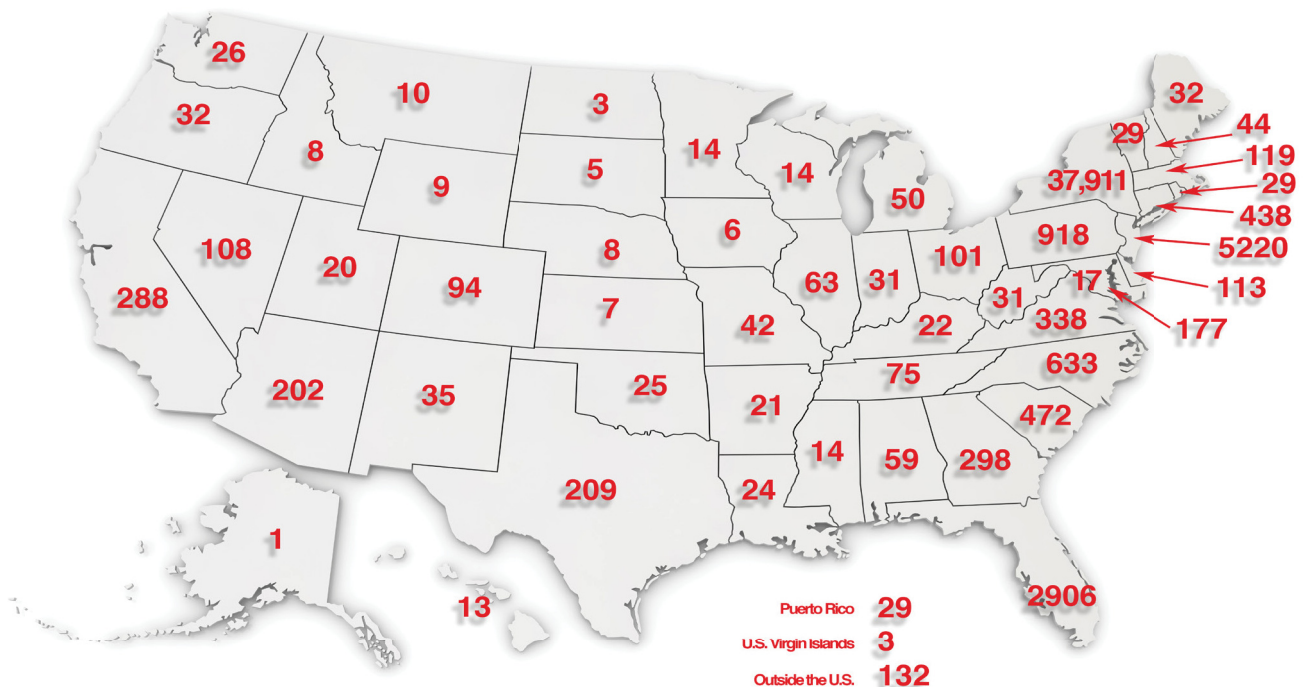
\$1.22 B

2019 Awarded



An individual who believes they may be eligible for VCF compensation should: **1)** Register with the VCF; **2)** Enroll in the WTC Health Program and become certified for at least one physical condition; and **3)** File a claim with the VCF.

The VCF has received claims from individuals in every state in the nation, as well as Puerto Rico, the U.S. Virgin Islands, and abroad.



Enhancements to the Online Claims System

Claimants use the VCF online claims system throughout the processing of their claim, including filing their claim, uploading documents, checking claim status, and viewing correspondence from the VCF. Based on user feedback, the VCF made several enhancements to the system over the past year, all designed to simplify the process for claimants and reduce claim-processing time. Major enhancements in 2019 included preventing the submission of a duplicate claim for the same individual; more descriptive claim status information; updating the online claim form to eliminate redundant questions, capture more refined data about employers and unions, and simplify the checklists for supporting documents; and adding information about the date a claim was submitted so claimants have a sense of when their claim will be prioritized for review.

History of the VCF



**September 11th
Victim Compensation Fund**

2001

Congress established the original VCF ("VCF1") in an effort to bring financial relief to those most devastated by the events of September 11, 2001. VCF1 closed in 2004.

2011

The Zadroga Act re-opened the VCF and included expanded eligibility criteria, new filing deadlines, and limited funding.

2015

The Zadroga Act was reauthorized, extending the claim filing deadline to December 18, 2020, and increasing funding for the VCF to \$7.375 billion.

2019

The Never Forget the Heroes: James Zadroga, Ray Pfeifer, and Luis Alvarez Permanent Authorization of the September 11th Victim Compensation Fund Act, was enacted, extending the deadline to October 1, 2090, and appropriating such funds as may be necessary to pay all eligible claims.

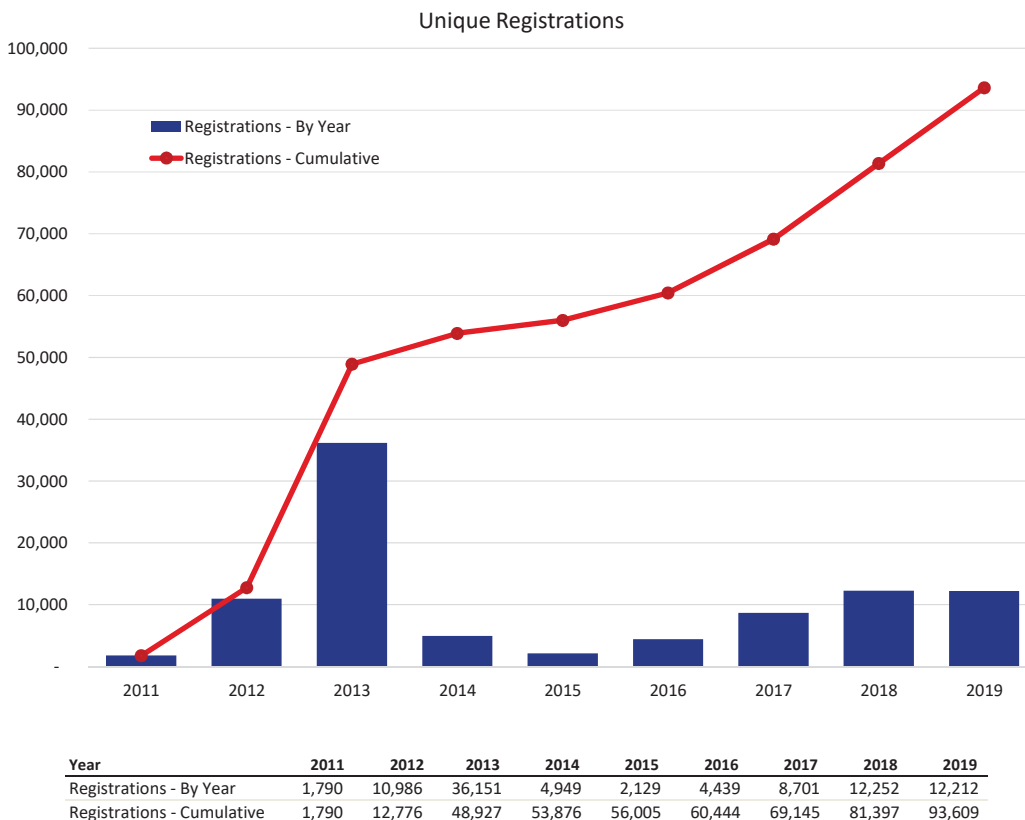
VCF Program Statistics

The transition to a permanent program provides the VCF with an opportunity to revamp its public reporting to provide more easy-to-understand and streamlined program statistics. This Annual Report debuts a new “look and feel” for our statistics, with charts and graphs that show key data of interest to the 9/11 community.

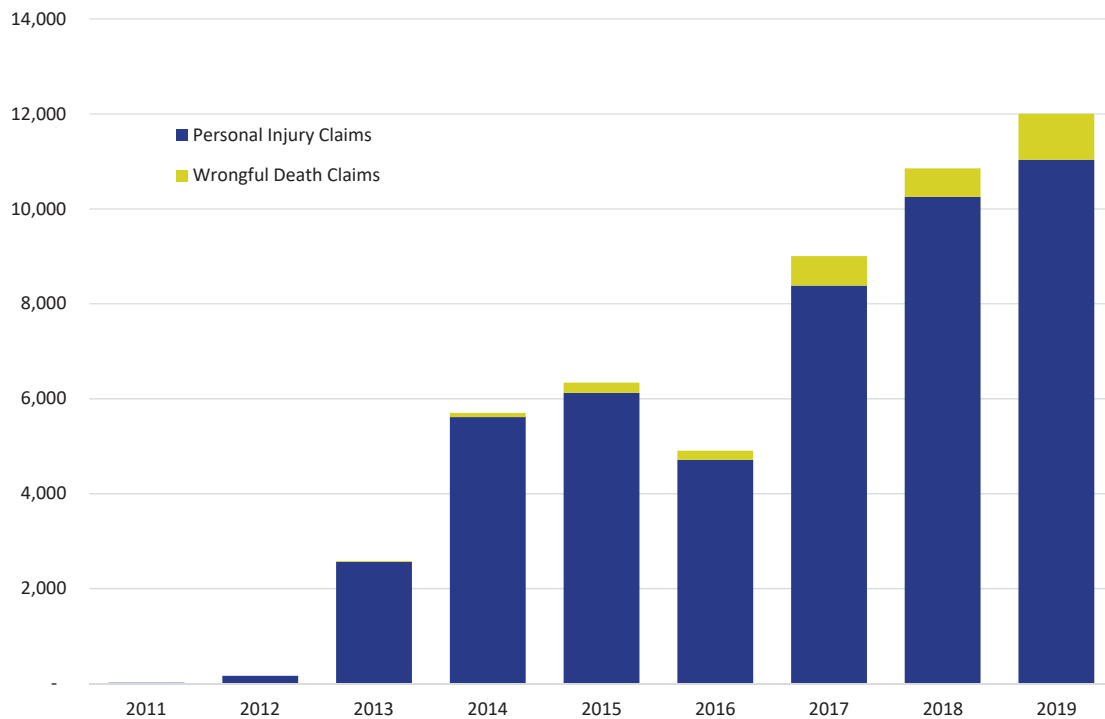
As part of this change, the VCF has redefined how the statistics are calculated. For example, in the past, the number of initial award decisions rendered was based on the entry of the decision into our claims system, regardless of whether that determination was still in our final quality check process and not yet communicated to the claimant. In our updated reporting, this decision will only be counted as an award determination if the VCF sent a letter to the claimant notifying him or her of the award. In addition, in the past, if a claimant appealed the award determination, the appeal decision was counted as a separate (second or “revised”) decision. In the updated reporting, a decision on appeal will be considered part of the previously-issued award. These are just two examples of the many changes that have been made.

The changes in how we calculate our statistics were driven by the VCF’s overarching goal to be transparent in our progress, and accountable to the community. The changes have resulted in modifications to almost every element of our reporting. For this reason, the statistics reported here cannot be compared to any prior reports issued by the VCF, even if the label describing the data element is the same.

The changes to our public reporting will continue in the coming months as we update our monthly reports with the new format, and seek to make the information more easily accessible on our website.

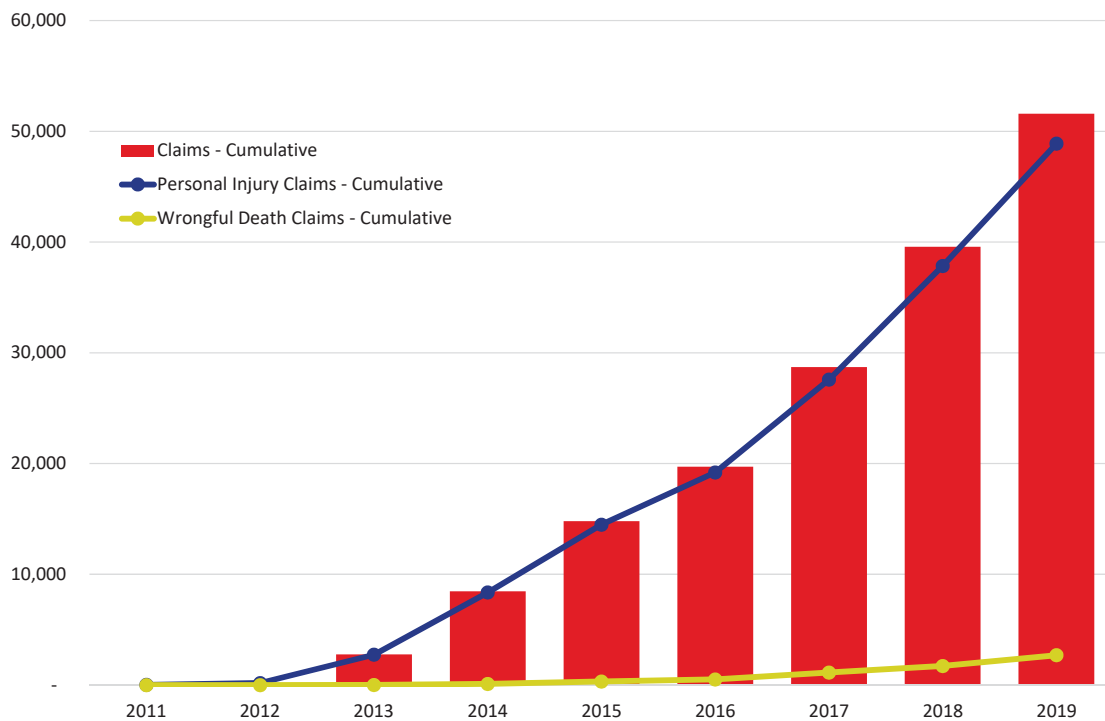


Claims Submitted by Year: Personal Injury & Wrongful Death



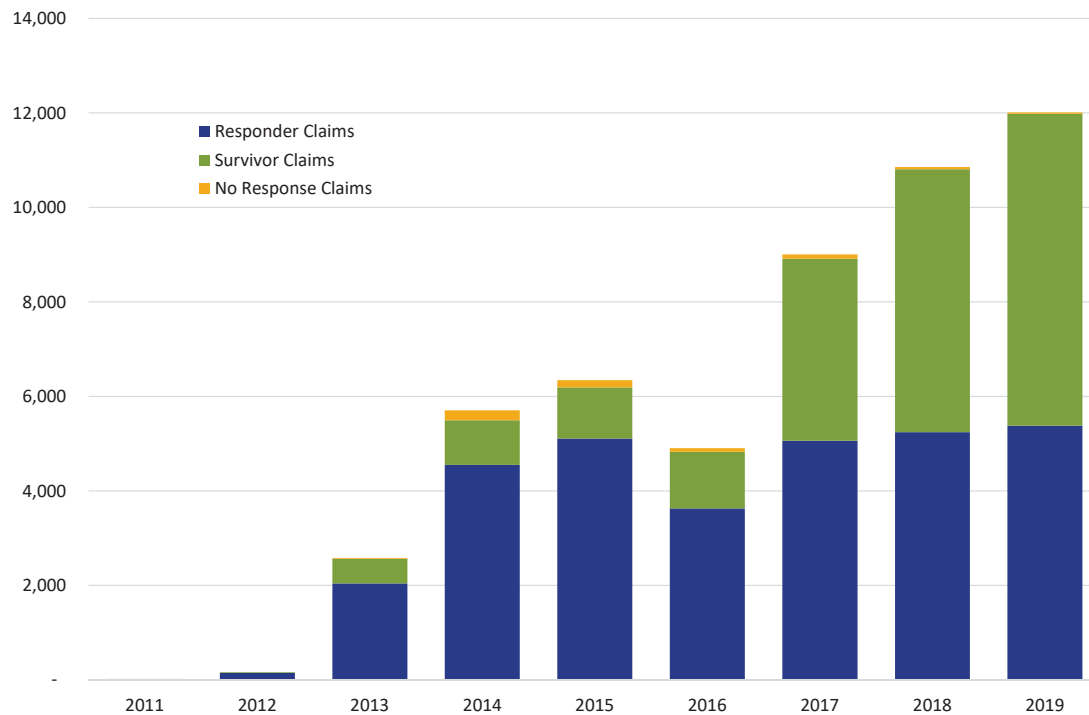
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Personal Injury Claims	19	162	2,565	5,616	6,126	4,714	8,387	10,256	11,038
Wrongful Death Claims	-	-	16	86	217	191	620	598	969

Cumulative Claims Submitted: Personal Injury & Wrongful Death



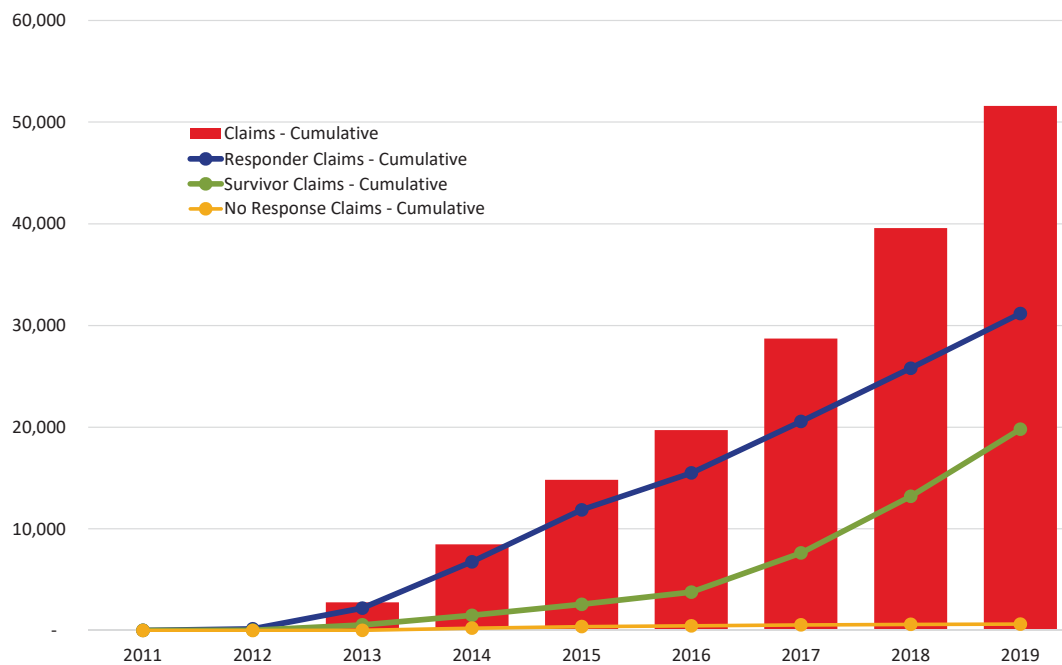
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Claims - Cumulative	19	181	2,762	8,464	14,807	19,712	28,719	39,573	51,590
Personal Injury Claims - Cumulative	19	181	2,746	8,362	14,488	19,202	27,589	37,845	48,883
Wrongful Death Claims - Cumulative	-	-	16	102	319	510	1,130	1,728	2,697

Claims Submitted by Year: Responder & Survivor

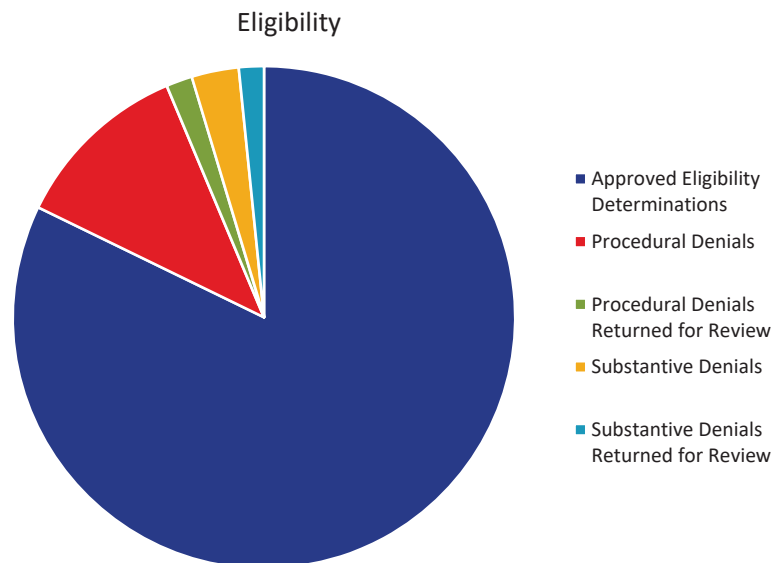


Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Responder Claims	12	147	2,041	4,552	5,108	3,628	5,061	5,242	5,381
Survivor Claims	7	15	526	941	1,082	1,200	3,854	5,568	6,603
No Response Claims	-	-	14	211	153	77	92	48	27

Cumulative Claims Submitted: Responder & Survivor

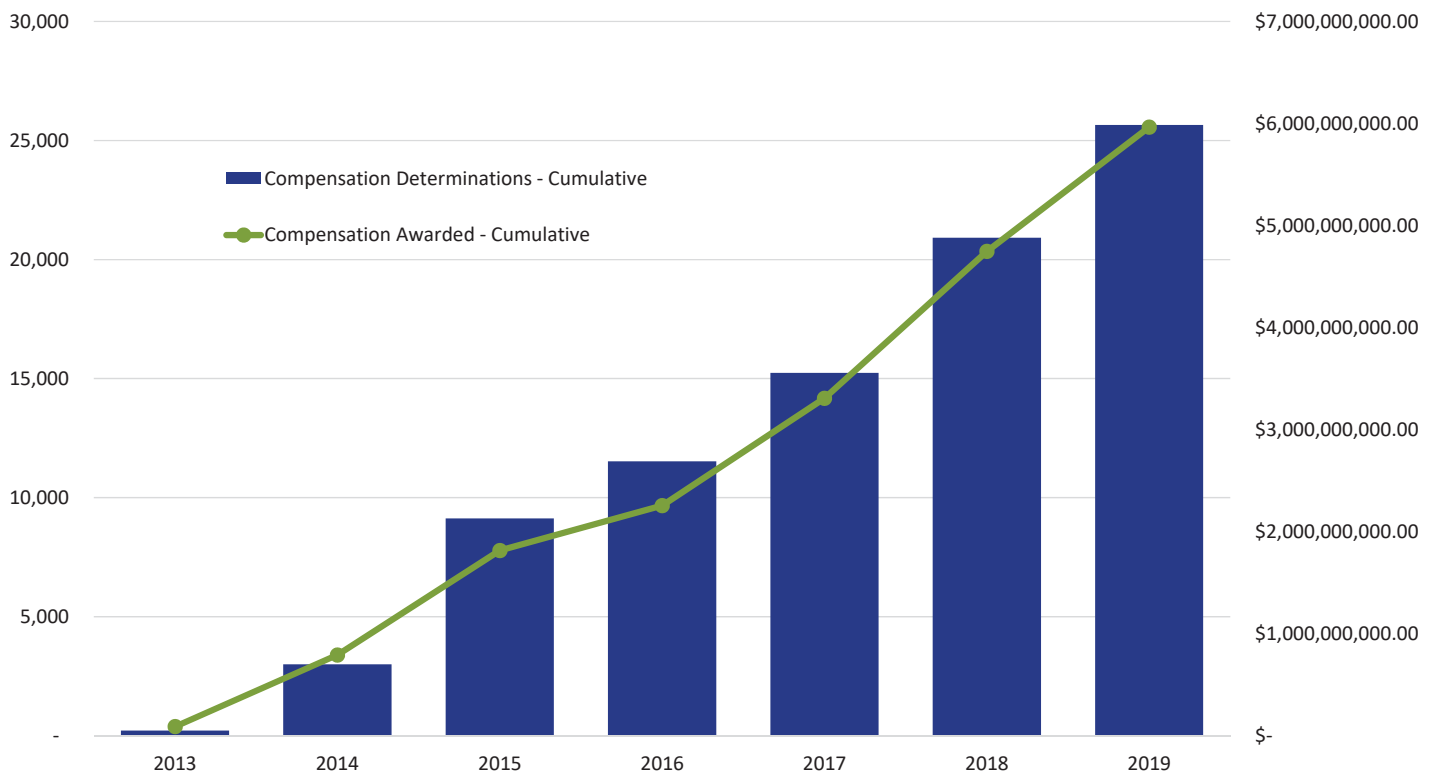


Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Claims - Cumulative	19	181	2,762	8,464	14,807	19,712	28,719	39,573	51,590
Responder Claims - Cumulative	12	159	2,200	6,752	11,860	15,488	20,549	25,791	31,172
Survivor Claims - Cumulative	7	22	548	1,489	2,571	3,771	7,625	13,193	19,796
No Response Claims - Cumulative	-	-	14	225	378	455	547	595	622

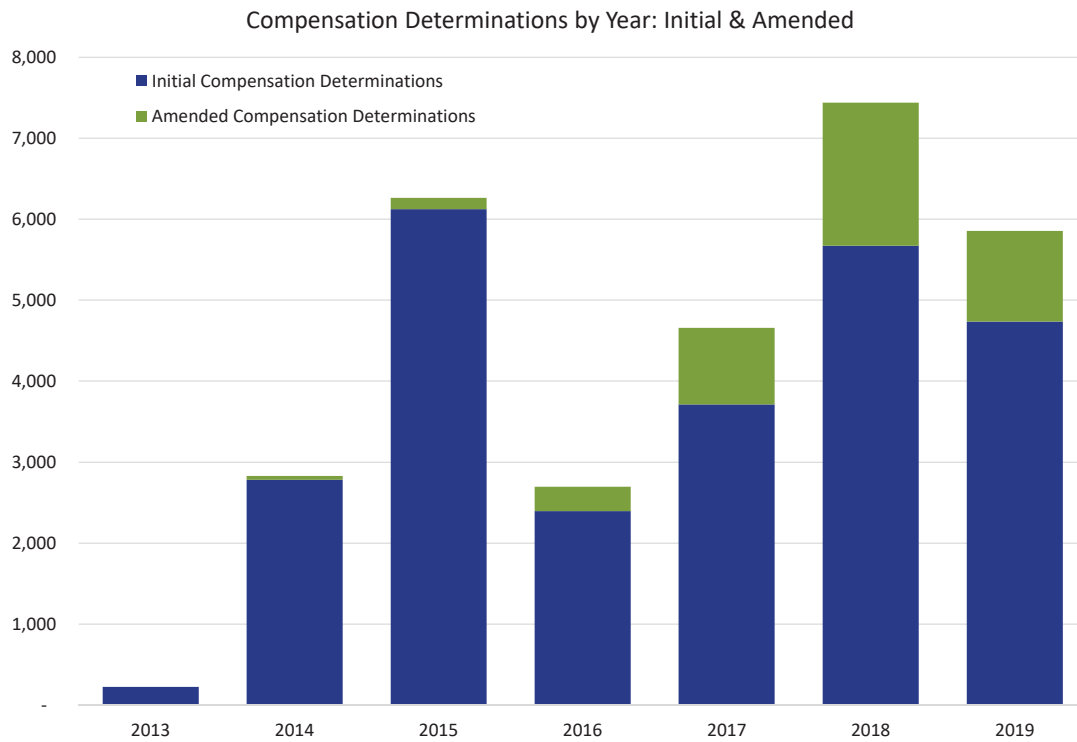


Approved Eligibility Determinations	27,827	82%
Procedural Denials	3,878	11%
Procedural Denials Returned for Review	571	2%
Substantive Denials	1,026	3%
Substantive Denials Returned for Review	546	2%

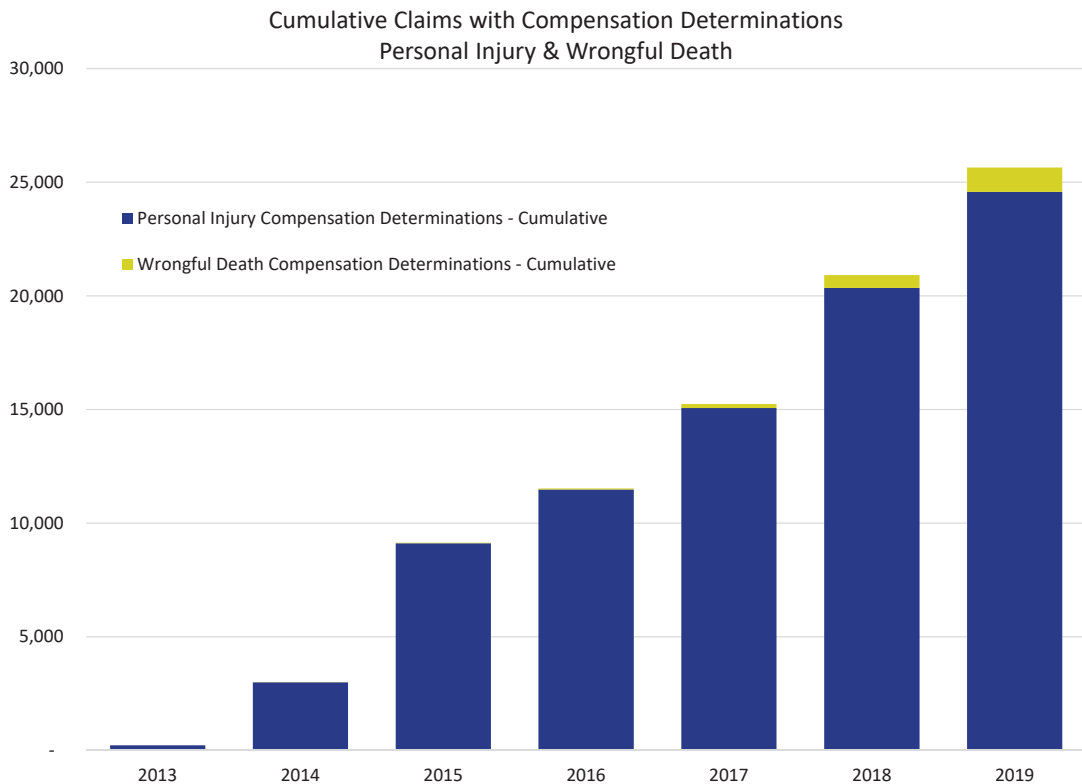
Cumulative Determinations and Compensation Awarded



Year	2013	2014	2015	2016	2017	2018	2019
Compensation Awarded - Cumulative	\$90,384,578	\$792,380,981	\$1,816,329,986	\$2,256,233,329	\$3,307,910,011	\$4,746,275,571	\$5,964,774,722
Compensation Determinations - Cumulative	225	3,007	9,132	11,527	15,240	20,913	25,649

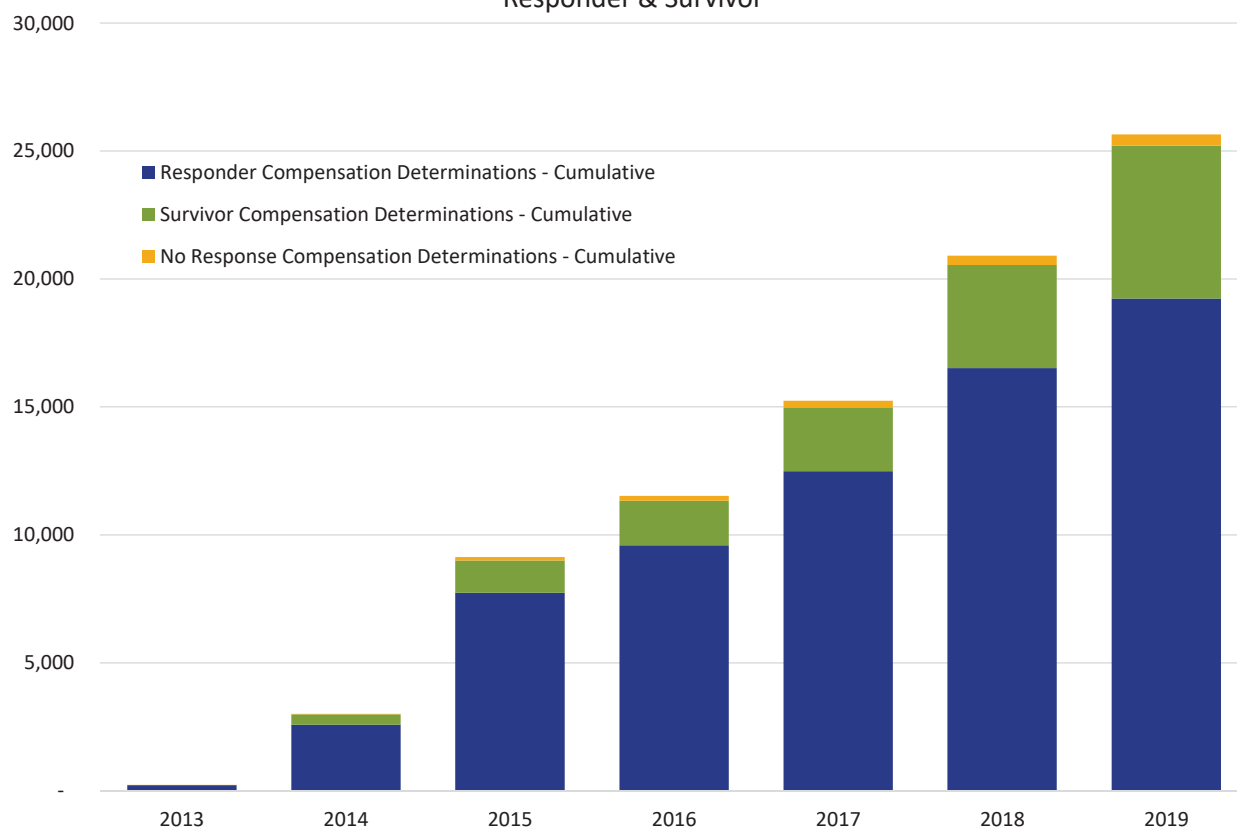


Year	2013	2014	2015	2016	2017	2018	2019
Initial Compensation Determinations	225	2,782	6,125	2,395	3,713	5,673	4,736
Amended Compensation Determinations	-	48	139	301	946	1,767	1,119



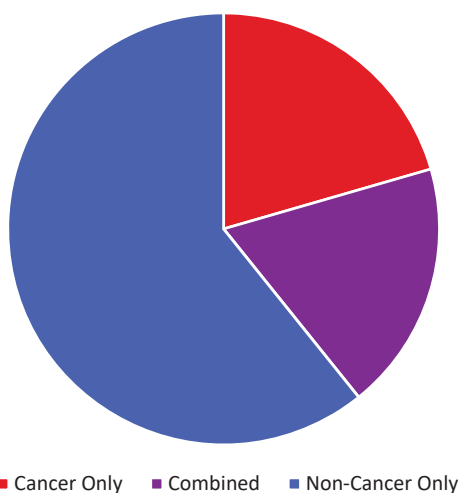
Year	2013	2014	2015	2016	2017	2018	2019
Personal Injury Compensation Determinations - Cumulative	225	2,999	9,112	11,475	15,065	20,348	24,575
Wrongful Death Compensation Determinations - Cumulative	-	8	20	52	175	565	1,074

Cumulative Claims with Compensation Determinations Responder & Survivor



Year	2013	2014	2015	2016	2017	2018	2019
Responder Compensation Determinations - Cumulative	218	2,579	7,739	9,595	12,491	16,512	19,238
Survivor Compensation Determinations - Cumulative	6	403	1,263	1,740	2,465	4,032	5,974
No Response Compensation Determinations - Cumulative	1	25	130	192	284	369	437

Cancer vs Non-Cancer Compensation Determinations



Cancer Only	5,265	20%
Non-Cancer Only	15,587	61%
Combined	4,797	19%